



Sidney Federal Credit Union

Our Mission: Dedicated to superior service, anytime, anywhere!

December 17, 2010

Ms. Jennifer J. Johnson, Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Ave, NW
Washington, D.C. 20551

Re: Docket No. R-1390, Regulation Z: Truth in Lending

Dear Ms. Johnson and Governors of the Federal Reserve Board,

I am writing on behalf of Sidney Federal Credit Union which is headquartered in Sidney, New York and serves over 47,000 members. We have reviewed a copy of the disclosure language and feel that this type of language would deter our members from considering taking the payment protection option. The language is somewhat false and very harsh to members that are unaware of how Credit Life insurance can help maintain their way of life. I understand that a disclosure may be necessary, but the language used on the disclosure needs to state the facts about Credit Life and let the member determine if the insurance would benefit them or not.

I have been working with consumer loans for several years and have seen the benefits that Credit Life insurance provides to our members. I have spoken to members who have lost a spouse and were very grateful for this insurance as they weren't burdened with a payment. If this proposal is in fact supposed to protect the member/customer than the verbiage needs to be presented in a more positive and friendly manner.

From January 1 to September 30, 2010 SFCU has had 328 members in claim amounts of \$424,684 take advantage of the Credit Disability insurance and 35 members in claim amounts of \$257,486 take advantage of the Credit Life insurance.

Thank you for the opportunity to comment on this proposed disclosure.

Sincerely,

A handwritten signature in blue ink that reads "Jeanna Thompson".

Jeanna Thompson
AVP Service & Sales
Sidney Federal Credit Union

Sidney Branch
42 Union Street Sidney, NY 13838
Local: 607-967-7101 • Toll Free: 877-642-SFCU (7328)
Website: www.sfcuonline.org

SFCU

Sidney Federal Credit Union

42 Union St.
Sidney, New York 13838
1-877-642-SFCU(7328)

www.sfcuonline.org

With Offices In

Oneonta

53 Market St.
Oneonta, NY 13820

75 Oneida St.
Oneonta, NY 13820

Walton

Big M Plaza
3 Liberty St.
Walton, NY 13856

Norwich

East River Rd. & Rt. 23
PO Box 649
Norwich, NY 13815

Greene

65 Genesee St.
Greene, NY 13778

Bainbridge

Credit Union Plaza
16 South Main St.
Bainbridge, NY 13733

Hancock

494 West Main St.
Hancock, NY 13783

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Washington, D.C. 20551

Re: Docket No. R-1390, Regulation Z: Truth in Lending

Dear Ms. Johnson and Governors of the Federal Reserve Board,

I have reviewed the proposed changes in disclosing to customers/members the cost of credit life and disability coverage and I have no objection to disclosing to members the cost of the coverage. However, these disclosures go well beyond ensuring that consumers are informed about these products; the proposed disclosures cast them in a strictly negative light and strongly discourage the purchase of these products, which benefit the customer/member and the financial institution in unexpected events or death.

I have been in consumer lending for several years and have seen many members benefit from this coverage and feel that by disclosing the coverage the way you've presented we will have a significant decline in members opting into getting and paying for the coverage. This in turn could cause members to lose their established credit rating, their assets, be a financial burden to their families, and could also cause the financial institution to have a loss as well. To pick just one story out of the several members, who have been so grateful to have the coverage, is a challenge. I can briefly say that it is so great to let our members know, when they contact us in their hard time that their loan is protected and they don't have to worry about their loan payment/s.

I would ask that you consider revising the disclosure language to be more positive and friendly.

Sincerely,

Elisha Decker

Elisha Decker
Assistant Branch Manager
Walton Office of SFCU
1-877-642-SFCU

Website:

www.sfcuonline.org



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Dear Ms. Johnson and Governors of the Reserve Board,

I have been privileged to have the ability to read over the Option to Purchase Credit Life Insurance document. While I agree that consumers need to be informed, this document does not neutrally portray the features and subsequent cost of the product. This could cause our members to forgo coverage due to the negative use of terminology.

Being able to protect our members is a huge benefit to them as well as the lending institution. Not only are our losses lessened but it also lessens the burden placed on the surviving spouse or family.

I have experienced on several occasions the case of a surviving spouse having not only her home paid for from the life insurance benefit but her auto and additional debts as well. She would never have been able to payoff obligations left at the time of her husbands passing had it not been for the life coverage. On the other hand, I have also had the case of a surviving spouse becoming so despondent after the passing of a spouse and so overwhelmed by remaining obligations and the repossession of her auto that she eventually committed suicide.

I appreciate the opportunity to comment on the proposed rule.

Sincerely,

Sue Huntress
Hancock Branch Manager

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Dear Ms. Johnson and Governors of the Federal Reserve Board,

In the many years that I have been processing loans for our members, I have had many diverse experiences regarding payment protection.

I have had to sit across the desk from a widower and explain to her that the loan that she and her husband took out for their new auto was not covered with the life payment protection and that she is ultimately responsible for the \$425 payment until the loan is paid in full. The devastating look on her face was everlasting.

On the other hand, I have had the pure pleasure in telling an expectant mother of triplets that was taken out of work under doctor's orders for 6 months, that her loan was covered with the disability payment protection and that the last thing that she needed to think about at this time was making the payments on their home equity loan. She had peace of mind and was able to rest and prepare for the birth of her babies.

I feel that having the opportunity of offering this product to our members is one of the most important aspects of processing loans and that life and disability payment protection is yet another way that SFCU is able to provide our members with superior service anytime, anywhere.

Respectfully,

Casey Bauerle

Casey Bauerle
Bainbridge Branch Manager
Sidney Federal Credit Union

Website:

www.sfcuonline.org



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Re: Docket No. R-1390, Regulation Z: Truth in Lending

Dear M. Johnson and Governors of the Federal Reserve Board,

Please see below four testimonials from current employees of Sidney Federal Credit Union regarding the benefits the members of SFCU have received from Credit Life and Disability insurance.

I wanted to take this opportunity to express how much I appreciate that SFCU offers payment protection on loans. I am covered with the life & disability protection on all my own loans and feel confident recommending it when I do loans for other members. The members who have the payment protection, have expressed to me the peace of mind they have, knowing that their credit will remain intact if something unforeseen should happen.

Shawn Bradbury
Loan Officer

Jeanna-I don't have a particular success story for you, but can attest to the value afforded our members and their families for these products. I have been at the Sidney Federal Credit Union for 34 years and have seen the relief and over-whelming thank yous when there has been a death or disability during a loan. It is one of the hardest products to advise members to take; when you are young-you never will be sick or die and when you get older, you say, what's the sense, I have all the coverage I need. For such a small amount each month, you can have peace of mind that your loved ones will not have the burden of this loan(s) and can take care of other business.

As a loan officer for many years, I have always tried to cross-sell these products, because I believe in them without a doubt; and they are an important product for our members and their financial well being.

Pat Ferrara
Collection Supervisor

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The other day I did a loan car loan, for a young first time borrower. His car quit on him so he needed a new auto to get back and forth to work. Since he was a first time borrower, he needed a guarantor. I did explain to him if he were out of work or heaven forbid he should pass away his loan would be taken care of. He did not realize this kind of protection was even offered on loans. His grandfather ended up being the guarantor. The member liked the fact that his grandfather would not be stuck with the payment if anything should happen to him or he was out of work. He grandfather liked it also😊

That is my success story😊

Lisa Boice😊

Loan Officer

A couple came in to do a consolidation loan, very nice people, may have been in their early 50's. They were into NASCAR, we hit it off right away.

She called me a couple months later, all upset. Her husband had just passed away unexpectedly after a very short illness. With all the stress of his passing, she had forgotten they had taken the joint life insurance. She was very relieved to know it would be one less payment she would have to worry about making, on just her income.

Thanks,
Lori Thorp
Loan officer

Thank you for the opportunity to comment on this proposed disclosure.

Sincerely,



Jeanna Thompson
AVP Service & Sales
Sidney Federal Credit Union